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# Optimization of Use of Waste in the Future Energy System

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## Abstract

Alternative uses of waste for energy production become increasingly interesting when considered from two perspectives, that of waste management and the energy system perspective. This paper presents the results of an enquiry into the use of waste in a future energy system. The analysis was performed using the energy system analysis model, Balmorel. The study is focused on Germany and the Nordic countries and demonstrates the optimization of both investments and production within the energy systems. The results present cost optimization excluding taxation concerning the use of waste for energy production in Denmark in a 2025 scenario with 48% renewable energy. Investments in a range of waste conversion technologies are facilitated, including waste incineration, co-combustion with coal, anaerobic digestion, and gasification. The most economically feasible solutions are found to be incineration of mixed waste, anaerobic digestion of organic waste, and gasification of part of the potential refuse derived fuel for combined heat and power production, while the remaining part is co-combusted with coal. Co-combustion mainly takes place in new coal-fired

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power plants, allowing investments to increase in comparison with a situation where only investments in waste incineration are allowed.

Key words: Waste, energy, system analysis, biogas, co-combustion, thermal gasification, bio-fuel

## 1 Nomenclature

### Indices

$i, I$	Unit, set of units
$I_a$	Set of units in area $a$
$I^{\text{ElecSto}}$	Electricity storage units
$I^{\text{HeatSto}}$	Heat storage units
$r, r', R$	Region, neighbouring region, set of regions
$a, A$	Area, set of areas
$t, T$	Time steps, set of time steps

### Variables

$C$	New power capacity [MW]
$P$	Power generation [MW]
$P^{\text{Cur}}$	Wind curtailment [MW]
$Q$	Heat generation [MW]
$S$	Storage level in electricity storage [MWh]
$SC$	New heat storage capacity [MWh]
$T$	Electricity exchange between regions [MW]
$U$	Loading of heat storage [MW]

### Parameters

$av$	Availability of the unit
$c^{\text{Loss}}$	Transmission loss
$C^{\text{Ex}}$	Existing power capacity [MW]
$c^{\text{Inv}}$	Annualized investment costs [Euro/MW]
$c^{\text{Fix}}$	Fixed operation and maintenance cost [Euro/MW]
$c^{\text{Operation}}(\cdot)$	Operation cost function of unit [Euro/h]
$d$	Electricity demand [MW]
$h$	Heat demand [MW]
$l$	Loading loss of heat storage
$LC$	Loading capacity of heat storage [MW]
$R$	Ratio between heat storage capacity and loading capacity
$SC^{\text{Ex}}$	Existing heat storage capacity [MWh]
$w$	Number of hours in each time period [h]

## 2 Introduction

Use of waste for energy production becomes increasingly interesting, seen from an environmental as well as from the point of view of an energy system. When regarding waste as an environmental problem, a number of issues are important. First of all, waste amounts are increasing and so increasing amounts need to be treated [1]. Secondly, by 2014 the EU wishes to reduce the amount of landfilled biodegradable waste to a maximum corresponding to 35% of the biodegradable waste produced in 1995 [2]. Finally, the EU now accepts energy-efficient waste incineration as recovery, whereby it moves up the ladder of the waste hierarchy. The waste hierarchy prioritizes waste treatment in the following order from the top down: waste prevention, re-use, recycling, recovery and safe disposal as a last resort [3].

Seen from an energy system perspective, it is interesting to include more organic waste in the energy system as this will increase the level of renewable energy in the system and hence decrease CO<sub>2</sub> emissions. In this way, including waste in the energy system becomes instrumental in achieving the goals of 20% renewable energy and 20% lower CO<sub>2</sub> emissions set by the EU for the year 2020[4]. Furthermore, if waste is used to produce bio-fuel for transport this could contribute to the EU goal of having 10% of the transport sector supplied with sustainable fuels by 2020.

Compared to other countries, a very high proportion of the waste produced in Denmark is utilized for energy purposes i.e. 23%, and only 6% is landfilled [5]. There is, however, a lack of waste incineration capacity in the Danish system and old plants need replacement [6]. Currently, up to 20% of the

electricity consumption in Denmark comes from wind power. Waste incineration has difficulties coping with the demand for flexible power production arising with increased shares of fluctuating wind power production. Waste is difficult to store and the plants have high investment costs which is why, preferably, they should run full time. Currently, in Denmark, waste incineration produces combined heat and power (CHP) with low electrical and high heat efficiencies, covering 4% of the electricity demand and 20% of the district heat production. All year round this heat is used in the district heating networks with first priority. However, heat produced from waste is still cooled off in cooling towers, particularly during summertime [7].

Due to the increased focus on reducing heat consumption in houses [8,4] even more heat may be cooled off in the future, unless the waste is used otherwise. Alternative uses of waste for energy production may potentially improve the energy efficiency and enable augmented shares of wind energy in the system by increasing the flexibility, e.g. through the production of bio-fuels from waste.

So far the use of waste for energy production has mainly been analysed with a focus on environmental and, to some extent, economic aspects using life cycle assessment (LCA) [9,10,11,12,13,14], cost benefit analysis (CBA) [15,16,17,18], multi-criteria decision analysis (MCDA) [19,20,21,22] or various other tools, e.g. analysing energy balances [23,24,25]. Here, waste incineration is mainly compared with non-energy waste treatment alternatives.

The LCAs have shown that the waste hierarchy, as established by the EU, by and large proves to be sound from an environmental point of view[10,26,27]; although, for some fractions, incineration has been found to outperform recycling [28]. This article uses the waste hierarchy as a starting point and aims at prioritizing between different future Waste-to Energy (WtE) uses of waste fractions which are not prevented, re-used or recycled.

Common to the above mentioned types of analysis is the fact that they fail to take into account the dynamic properties of the technologies and do not show the effect of changed use of waste for energy on the energy system. To account for this, it is necessary to perform energy system analysis.

Only few energy system analyses (ESA) have focused on Waste-to-Energy technologies with representations of the variations in energy demand over the year. They use load duration curves and focus either on district heating systems or on national electric energy systems [29,30,31,32,33,34]. However, this does not make it possible to take the dynamic properties of the energy technologies fully into account, due to the loss of chronological time or give full justice to CHP technologies. In particular, full justice is not done to technologies which add flexibility to the energy system, such as storage technologies.

The above mentioned ESAs have all been performed on current energy systems or with a short-term view into the future, and the only WtE technology analysed is waste incineration. As investments in plants, and particularly funding of research, have implications which reach further into the future, the aim of this study is to compare different WtE technologies,

including their dynamic properties, in a medium term future energy system. Therefore comparisons are made of both commercialized technologies and pre-commercialized technologies in possible future scenarios of the Nordic and German energy systems in 2025 using the power system model Balmorel.

Energy system analysis of current and potential WtE technologies has recently been performed by Münster and Lund by use of the EnergyPLAN model for the current Danish energy system and a future energy system with 100% renewable energy [35,36,37]. However, using the Balmorel model makes it easy to assess possible future investments, as not only operation but also investments form part of the optimization [38]. By including the surrounding electricity markets of the other Nordic countries and Germany in the analysis, it is possible to identify the effects in these countries of changed use of waste for energy in Denmark, compared to a business-as-usual scenario. Hereby, the long-term affected (also called marginal) energy production plants can be identified. The importance of this has been highlighted by Mathiesen et. al. [39] and calculated for illustrative cases by Münster and Meibom [40].

After taking into consideration the background and review of literature given above, the objective of the study presented here was to identify feasible WtE technologies for treatment of different waste fractions in a medium term future energy system. Their dynamic properties were taken into account and both production and investments were optimized.

### **3 Methodology**

This chapter consists of a general description of the Balmorel model followed by a mathematical presentation of the model. Next a description is given of the modelling of waste in the model including the improvements made to the model by the authors. Then the data input of the model is given, and the model outputs and interpretation of results are shortly presented.

#### **3.1 Balmorel**

Balmorel is a linear optimization model of a power system including district heating systems. It is open source and available on a home page along with a full model description and documentation of analyses ([www.balmorel.com](http://www.balmorel.com)).

Balmorel has been used for a wide range of analyses documented in project reports available on the model website and in journal papers e.g. [41,42].

Based on the assumption that perfect market conditions exist, the model minimizes system costs consisting of operational costs of all plants and annualized investment costs. Operational costs include fuel costs, CO<sub>2</sub> quota costs as well as operation and maintenance costs. Taxes are not included in this analysis. Given a number of restrictions, the model may, in this way, optimize investments in new production as well as transmission capacity and the operation of plants. Prices such as the electricity price can be found from the marginal values of restrictions.

The model is designed to cover several countries within the same electricity market. Each country consists of one or more regions, between which electricity exchange is restricted due to limited transmission capacities. Each



region, in turn, consists of one or more district heating areas, between which no exchange of heat is allowed. Time series for electricity demand and wind power production are given for regions, whereas time series for heat demand are given for areas. The time series provide hourly data for one year.

The model uses a two-level subdivision of time, which may be used to represent weeks and hours. When Balmorel is used to optimize investments it may be necessary to delimit either the number of hours or the number of weeks. When modelling energy systems with a high share of wind power it is recommendable to keep the hourly representation in order to capture the fluctuating nature of the wind and instead delimit the number of weeks.

By using the District Heating version of Balmorel, which facilitates investments in district heating networks, it is also possible to assess the impact of the changed use of waste for energy production on the need for expansion of the district heating networks [43]. Furthermore, The District Heating version has a more detailed representation of the district heating networks. The detailed representations of the district heating system and its possible expansions are assessed as important, although they require a reduction of the time steps analysed down to 4 weeks of 168 hours each. The inclusion of waste storage possibilities also improves the representation of dynamic properties connected to waste. Finally, Balmorel has the advantage that the electricity price is found by the model and does not have to be estimated. Depending on the size of the problem, calculations take from minutes to days. For this article, each run took approximately 15 hours on a

computer with an Intel Core2 Duo 3 GHz processor with 7.8 GB RAM using the CPLEX solver.

Some of the limitations of the model are that Balmorel is a deterministic model with perfect foresight and, hence, the wind speeds are “known” to the system in advance. As a result, the model underestimates system costs.

Furthermore, decisions regarding investments are based solely on the costs calculated by the model in the year analysed. In the real world, decisions on investments will normally include an analysis of trends, e.g. in the development of investment and fuel costs. As Balmorel is a linear model, it is not possible to include start-up costs of plants or to let scale be decisive of e.g. investment costs.

### **3.2 Mathematical framework**

Balmorel is a linear programming model and as such consists of an objective function and some restrictions. The main equations of the model are given in this section in a simplified way in order to present the mathematical content of the Balmorel model.

The objective function (eq. 1) minimizes system costs, which comprise the annualized investment costs of new investments, the fixed operation and maintenance costs of existing units and new investments, and the operational costs of units. Each time period is weighted to represent a longer time span in order to cover full-year costs. Electricity demand in each region taking into account export and import between regions (eq. 2) and district heating demand in each area (eq. 3) have to be fulfilled in each time period. The marginal value of the electricity demand equation (eq. 2) is the electricity

price. Wind power production is treated as production following a fixed production time series with the possibility of curtailing wind power if cost optimal for the system.

Equation 4 influences the demand for capacity by ensuring that the power production from a unit either existing or new is lower than the capacity of the unit multiplied with an average availability. It simplifies the availability of power plants by assuming that a constant portion of each type of power plant is unavailable due to scheduled maintenance or forced outage. Availability of wind power is included in the wind power production time series. A restriction similar to equation 4 applies for transmission limits although not shown here.

The Balmorel model includes restrictions specifying the technical capabilities of condensing and CHP plants, heat pumps and electric boilers, heat storages, and hydropower with reservoir. It also includes restrictions limiting the yearly usage of specific fuels, modeling the costs of expansions in the district heating networks and modeling the usage of waste for energy purposes. To shorten the model presentation, the technical restrictions of a heat storage is given as an example, while the rest of the restrictions are not shown here.

The investment decision for heat storage has been simplified by assuming a fixed relationship between storage size and loading capacity of the storage, and by assuming that the loading and unloading capacities are equal. In this study it is assumed that the storage content of all new heat storages corresponds to 12 hours of maximum loading of the storage. Equation 5 is the balance equation for heat storage expressing that the storage content in

the beginning of a time step is equal to the storage content in the beginning of the previous time step plus the loading of the storage minus the unloading during the previous time step. The maximum storage content is limited (eq. 6) as well as the loading of the storage (eq. 7).

$$\min \left( \sum_{i \in I} c_i^{Inv} C_i + \sum_{i \in I} c_i^{Fix} (C_i^{Ex} + C_i) + \sum_{t \in T} \sum_{i \in I} w_i c_i^{Operation} (P_{i,t}, Q_{i,t}) \right) \quad (1)$$

subject to

$$\sum_{a \in A(r)} \sum_{i \in I_a} P_{i,t} - P_{r,t}^{Cur} + \sum_{\bar{r} \in R} ((1 - c^{Loss}) \cdot T_{r,\bar{r},t}) = d_{r,t} + \sum_{\bar{r} \in R} T_{\bar{r},r,t} \quad \forall t \in T; r \in R \quad (2)$$

$$\sum_{i \in I_a} Q_{i,t} = h_{r,t} + \sum_{i \in I_a^{HeatSto}} U_{i,t} \quad \forall t \in T; a \in A \quad (3)$$

$$P_{i,t} \leq (C_i^{Ex} + C_i) \cdot av_i \quad \forall i \in I; t \in T \quad (4)$$

$$S_{i,t+1} = S_{i,t} + w_t (U_{i,t} (1 - l_i) - Q_{i,t}) \quad \forall i \in I^{HeatSto}; t \in T \quad (5)$$

$$S_{i,t} \leq SC_i^{Ex} + SC_i \quad \forall i \in I^{HeatSto}; t \in T \quad (6)$$

$$U_{i,t} \cdot R_i \leq SC_i^{Ex} + SC_i \quad \forall i \in I^{HeatSto}; t \in T \quad (7)$$

Different checks on the consistency of data inputs have been implemented in the Balmorel model and hence are performed automatically. Error checking by close inspection of the model output is still required.

### 3.3 Modelling waste

Waste can be considered an environmental problem or an energy resource, depending on the view of the beholder. When modeling waste in energy systems, a range of characteristics distinguish waste and waste treatment plants from many other energy sources and technologies:

- The storage of waste is complicated depending on the moisture and organic content.

- The transportation of waste over long distances may not be feasible due to the low energy content and the odours of waste.
- Waste is inhomogeneous and consists of various fractions which can be treated in different plants and have different potentials in terms of storage.
- Benefit may be drawn from using waste together with other fuels in energy plants.
- Prices for treating waste vary depending on local factors and national taxes.
- Potential exists to produce bio-fuel for transport as well as electricity and large amounts of heat.

In this model, the issues of storage and transportation are dealt with through a restriction which requires that all waste available for energy production in each region must be used within a year. It is possible to store part of the waste (here assumed to be 40%) within the year subject to a transportation cost (8.4 EUR/t) and a weekly fee to the deposit (23.6 EUR/t) [44]. It is assumed that the waste flow is constant and that on average waste is stored for half a year.

Furthermore, a restriction has been added as the waste fractions used by the various plants differ. This ensures that the combined use of a given fraction by the relevant plants does not exceed the share which this fraction constitutes out of the total in each region.

The model facilitates the use of various fuels in one plant. This feature has been expanded to accommodate investments in the upgrading of existing plants, from fuelling with one fuel to fuelling with multiple fuels. In this manner, it is possible to model, e.g. co-combustion of waste and coal in existing coal-fired plants.

Finally, the production of transport fuels has been facilitated by introducing revenue of the fuels produced to the objective function and by adding the use of waste for transport fuel production to the restriction, ensuring that all waste is used each year. A larger extension to the model has been added in order to model a plant capable of using multiple fuels and of optimizing by changing between producing transport fuel or electricity and heat, depending on the fluctuating electricity prices.

In combination the above mentioned alterations to the model ensure that the model now has improved the understanding of the restrictions and possibilities connected to the use of waste for energy production in the future. With the wide range of technologies modeled, it is assumed that it will now be possible to analyse most possible WtE technologies within the existing framework.

### **3.4 Data Input**

In order to answer the question of how we should use waste for energy in a future energy system, a range of technologies are chosen which may be feasible in a medium long perspective. The chosen WtE technologies have all proven interesting in former energy system analyses of WtE technologies [35,36,37]. The technologies and their inputs and outputs as well as assumed

investment possibilities are presented in Table 1. As data for technologies under development are naturally uncertain and may be optimistic, results of the analysis can mainly be used to recommend whether further funds should be invested in the development of the technology.

Investment costs as well as operation and maintenance costs and efficiencies of the WtE technologies are shown in Table 2.

For reasons of simplicity, potential increased costs related to changed method for waste collection, sorting and transportation procedures as well as changed distribution of transport fuel and other vehicles are not included in the analysis.

As it is impossible to predict the future, it is important to look at different possible scenarios. When analysing WtE technologies, a number of parameters have great influence on the outcome of the results. Six scenarios (Table 3) are, therefore, analysed in which the energy demands (Table 4), waste amounts (Table 5) as well as fuel prices (Table 6) and CO<sub>2</sub> quota costs vary. The scenarios represent possible futures for Denmark in 2025. The CO<sub>2</sub> quota price is expected to be 32 EUR/t in the Base scenario and 25 EUR/t in the low CO<sub>2</sub> quota price scenario [62].

Table 4 shows the expected electricity and heat demands for the Nordic countries and Germany and the number of regions and areas modelled.

Electricity demand is defined at the region level and heat demand at the area level. The Danish district heating system consists of around 450 separate networks. The number of networks continues to decrease as networks get connected. In the Balmorel model, Denmark is represented by two regions,

East and West, and by 21 areas of which 8 are based on geography and 13 on the main type of energy-producing technology.

The assumed resource potentials are illustrated in Table 5. With regard to waste resources available for energy, two scenarios are analysed; one with an increase in the amount of waste of 1.3% per year, resulting in 47 PJ/year [6], and one in which the amount of energy in the waste as a minimum remains stable at 37 PJ/year, corresponding to the level in 2006 [68]. The waste resources of countries other than Denmark are maintained at the same level in all scenarios.

Expected fuel prices are shown in Table 6. The mixed waste price is calculated as the cost of waste incineration deducted the income from the sale of electricity and heat. The cost is negative as the treatment plants receive money to treat the waste. Great uncertainty exists regarding the costs of other waste fractions, as this is determined by local circumstances. The price of sorted organic household waste is here assumed to be the same as for mixed waste, but, in reality, municipalities may be willing to pay more, as shown in Münster and Lund[37]. If competition for RDF increases, the price may converge with biomass prices. As more competition is assumed in the future, the price here is increased so that the plants receive RDF for free. This issue is further dealt with in the sensitivity analysis.

The remaining fuel prices are from the Danish Energy Agency. The high oil price is equivalent to 119 USD/bbl and the low price is equivalent to 87 USD/bbl. All monetary values (e.g. investment costs and fuel prices) are given in EUR in year 2007.



Lower heating values and fossil CO<sub>2</sub> content of the fuels are also shown in Table 6. To be able to compare, 7 kg/GJ from refining petrol is added to the fossil carbon content [73].

The electricity-generating technologies which are expected still to be in operation in 2025 are shown in Figure 1, with total capacities given in GW. The capacities are a result of an analysis where 3% of the existing fossil fuelled plants are decommissioned per year, whereas new renewable and nuclear plants are assumed to replace existing plants, to allow the capacity to remain the same. No other new investments occur before 2025. The new Finnish nuclear plant of 1600 MWe at Olkiluoto is included in the existing capacity. Furthermore, based on the age of the existing waste incineration plants, Denmark is still expected to have a waste incineration capacity equal to around 25 PJ input in 2025.

Apart from the WtE technologies, a wide range of technologies are made available for investment, as shown in Table 2. An interest rate of 6% without inflation is utilized to calculate the costs of investments.

### **3.5 Model output and interpretation of results**

In general the model output consists of the level of each variable and the marginal value of each restriction. Hence for each time step the following are given: fuel usage, electricity production and heat production of each unit, wind curtailment, electricity transmission between regions and loading and unloading of heat storages. These values are summed up over units and time steps to achieve yearly values. The fossil CO<sub>2</sub> content in each fuel type is

combined with the yearly fuel usage and used to calculate yearly CO<sub>2</sub> emissions.

Yearly model output consists of the size of the investments in new production units, heat and waste storages and transmission lines, and in the yearly investment and operation costs.

As mentioned, the marginal values of the electricity balance equation give the electricity prices.

Results are derived by comparing the model output between different input data scenarios. Sensitivity analysis is performed by varying some of the assumptions to which the results may be most sensitive:

- Investment costs
- Inclusion of free manure for biogas production
- Possibility to invest in nuclear plants

The investment costs of energy technologies under development are highly uncertain. Hence an analysis has been performed with increased investment costs depending on the development stage of each technology and the sensitivity to local conditions.

## **4 Results**

Based on the input data the model first provides results for the Reference scenario. Due to the high fuel prices in general, the relatively low coal price and the high CO<sub>2</sub> quota costs, the main resources utilized for heat and power production in the Reference scenario for the whole region are coal (46%),

uranium (33%), and wind power (11%). Municipal waste only constitutes 4% in this area and the share of renewable energy amounts to 17%. On the other hand, in Denmark the expected increase in waste amounts and decrease in energy consumption leads to utilisation of mainly coal (41%), municipal waste (32%), and wind (14%), and the share of renewable energy adds up to 48%.

The utilization of waste for energy production varies in the different scenarios as shown in Figure 2, where existing and new waste incineration plants are shown on the left axis and the remaining plants on the right.

In the scenarios in which investments in new WtE technologies are allowed, the full resource of organic waste is converted to biogas and used for CHP, apart from the scenario with low CO<sub>2</sub> quota costs, in which the biogas is used for transport instead, as less is earned on substituting fossil fuels in the heat and power sectors. The organic waste is assumed to be co-digested with manure. The corresponding manure amounts to 5% of the current untreated manure potential. RDF is both used for co-combustion in coal-fired power plants and for gasification with subsequent use for CHP production. In all scenarios, the full RDF potential is utilized. No mixed waste is co-gasified with coal in the syngas plant in any of the scenarios.

RDF is mainly gasified and used for CHP production or co-combusted in new coal-fired power plants. RDF is only co-combusted in existing coal-fired plants to a limited degree, and only when these have high total efficiencies.

Hardly any difference can be found between the BAU scenario and the Reference scenario with regard to the fuel use in all countries, as shown in

Figure 3. In the remaining scenarios, less uranium for nuclear power is found to be used. In the low fuel price scenario, nuclear power plants are replaced by natural gas and coal-fired plants and in the low CO<sub>2</sub> quota price scenario; they are replaced by coal-fired plants.

When looking at the differences in investments between the BAU and the reference scenario in Figure 4, the main change is that there is an increase in investments in coal-fired power plants co-combusting RDF replacing investments in coal-fired CHP plants. In Denmark investments in 240 MW coal fired CHP plants are replaced by 720 MW of the same type of plants capable of co-combusting RDF.

Apart from altering the division between producing heat and electricity, increasing heat storage or producing transport fuel, three flexibility options exist in order not to create a surplus of heat or electricity: 1) Increasing the transmission capacity of electricity or 2) the size of district heating networks or 3) the capacity of waste storage.

With regard to investments in heat networks and electricity transmission capacity, minor differences also exist between the scenarios, as shown in Figure 5. Heat consumption in new networks ranges from 18.6 PJ in the low energy and waste scenario with less heat production and demand up to 22.4 PJ in the BAU scenario in which the maximum amount of heat is produced from waste. Total investments in electricity transmission in the Nordic and German energy system are lowest in the low fuel price scenario (18 GW ) and in the low CO<sub>2</sub> price scenario (21 GW ). This is due to increased electricity

production capacity in the central German region in these scenarios. In the remaining scenarios the investments are of 26 GW.

The storage of waste is also used to increase the flexibility of the energy system. As shown in Figure 6, most waste is stored in the BAU scenario (5.5 PJ), where waste is used more inflexibly and in the scenario with low energy consumption (5.1 PJ), where it is more difficult to balance production due to lower demands.

Differences in CO<sub>2</sub> emissions are shown in Figure 7, when comparing the various scenarios with the BAU scenario. The columns show differences in CO<sub>2</sub> emissions for electricity, heat and transport in Denmark on the left axis and the dots show the difference for electricity, heat and transport in all countries on the right axis. Overall, when allowing investments in new WtE technologies, CO<sub>2</sub> emissions increase very slightly due to increased use of coal and natural gas. The highest CO<sub>2</sub> emissions are found in the low CO<sub>2</sub> price scenario in the whole region, whereas it is found in the low fuel price scenario in Denmark. This is due to less electricity import and more inland production with natural gas fired CHP plants. The share of renewable energy in the Danish energy system decreases slightly from 48% in the BAU scenario to 46% in the Reference.

#### **4.1 Sensitivity Analyses**

The investment costs of waste incineration were raised by 10% and of co-combustion by 25%. The figures for the remaining technologies were raised by 50%. The main change in the use of waste compared to the reference is a decrease in the use of RDF in new co-combustion plants, corresponding to

20% of the total RDF. Instead, the main part of the unused RDF is used for gasification for CHP and the rest for co-combustion in existing coal-fired power plants.

The sensitivity of the assumption that manure is available for free was analysed in a scenario where biogas was produced from organic household waste alone. Basically the use of waste does not change in this scenario and the full organic waste resource is still used for the production of biogas for CHP.

When comparing the BAU scenario with and without the possibility for new investments in nuclear power, new nuclear capacities are substituted by coal-fired power plants, offshore wind turbines and natural gas-fired power plants. When allowing investments in new WtE technologies in a scenario with no new nuclear investments, there is a slightly higher use of RDF in new co-combustion plants and less gasification of RDF for CHP than in a scenario with nuclear investments. This follows the trend of more coal-fired capacity in general. Furthermore, also due to increased coal-fired power production, the investments in wind power and natural gas-fired power capacity decrease, however only marginally.

A recent study of Münster and Meibom illustrates the significance of combining the WtE technologies by comparing this approach to modelling the technologies individually[40]. Here, high potential was also found for using organic waste for biogas production and RDF for co-combustion or gasification.

## 5 Discussion

In some studies, incineration has been compared with the production of biogas using LCA [9,11,14]. Here, the conclusions are unclear. Under some circumstances, the environmental consequences of biogas production used for CHP are comparable to those related to incineration [9,14]. Combined with dedicated refuse derived fuel (RDF) combustion, however, biogas production has been found to have a lower environmental impact [11]. In this study the production of biogas and use of RDF for energy production are shown to be feasible from an economic viewpoint and changed use of waste for energy production results in an increase in CO<sub>2</sub> emissions mainly due to increased co-combustion with coal.

Few comparisons have been made in which gasification or bio-fuel production has been compared with other waste treatment alternatives. In Murphy and McKeogh [23], digestion with a subsequent production of biogas for transport was the best option for the organic fraction; whereas for the non-organic fraction, gasification was found to be superior to incineration. The analysis showed high sensitivity to the use of thermal output. The results are well in accordance with the results of the analysis in this article where there is a relatively high demand for district heating.

In Dornburg et. al. [25], a large number of waste treatment technologies are compared, including incineration, gasification, digestion, co-combustion in a coal power plant and the production of bio-fuel. The analysis shows good results for integrated gasification combined cycle plants (primarily utilizing municipal solid waste and sewage sludge) and co-combustion (utilizing

organic domestic waste, swill and waste from food industry after hydro-thermal upgrading). These results also support the results from this study where co-combustion and integrated combined cycle plants show high potential.

In future studies it would be relevant to analyse the optimal use of waste for energy including taxes and tariffs in the optimization and testing the significance on assumptions regarding costs of e.g. nuclear and wind power. It could also be interesting to analyse the WtE technologies in substantially different energy systems, such as one supplied by 100% renewable energy. Finally, it would be interesting to include a more detailed representation of waste fractions, and non-energy waste treatment measures and conservation measures could be represented in the model, e.g. by costs and by greenhouse gas emissions.

## **6 Conclusion**

The main objective of the analysis was to identify feasible WtE technologies for treatment of different waste fractions in a medium term future energy system taking into account their dynamic properties and optimizing both production and investments. To summarize, the results of the analysis show that waste incineration will continue to have an important role to play also in the future. Hence it can be recommended to incinerate mixed waste primarily in dedicated waste incineration plants producing CHP at high efficiencies. As co-gasification in syngas plants leads to higher CO<sub>2</sub> emissions it may be relevant from an economic perspective, but only with low CO<sub>2</sub> quota prices. Furthermore, organic household waste should be co-digested with manure, if



free untreated manure is available and a treatment price of organic waste of 3 EUR/GJ can be obtained. The biogas should be used for CHP or transport fuel, depending on the CO<sub>2</sub> quota costs.

Under the given assumptions, it is most economically feasible to use RDF for co-combustion with coal in plants with high efficiencies today, whereas, in the future, RDF should be used for gasification combined with CHP production, assuming that the sorting out of the full RDF potential does not decrease the efficiencies of the existing waste incineration plants and that RDF is available for free.

Overall, it can be concluded that the main objective of the article has been met and the results are supported by other studies.

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## Figures

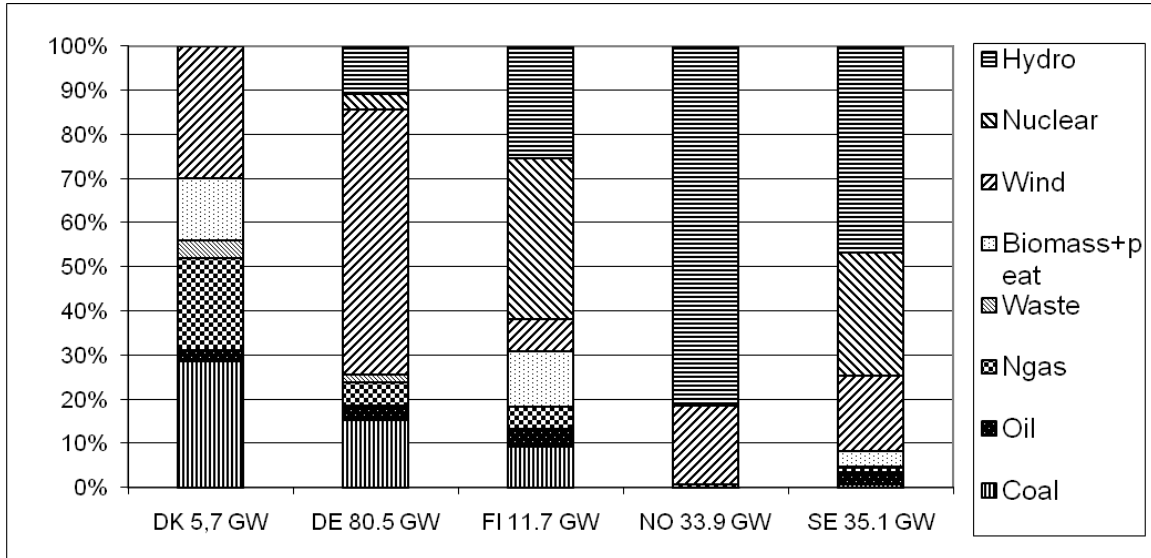


Figure 1 Assumed remaining electricity production capacity in 2025

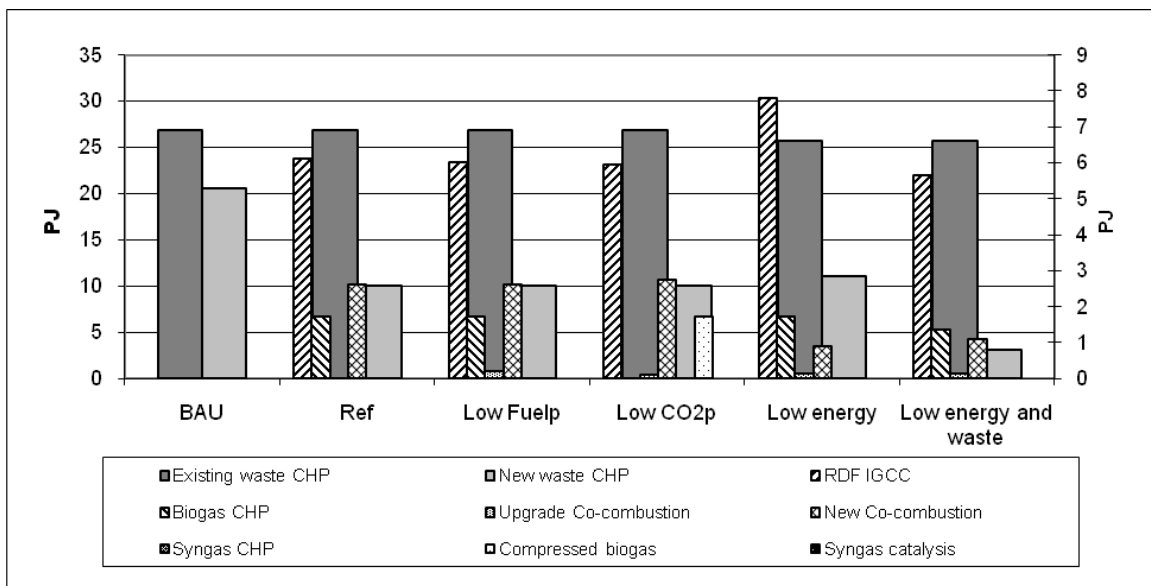


Figure 2 Use of waste for energy production in Denmark. Waste CHP are shown on the left axis and new WtE technologies on the right.



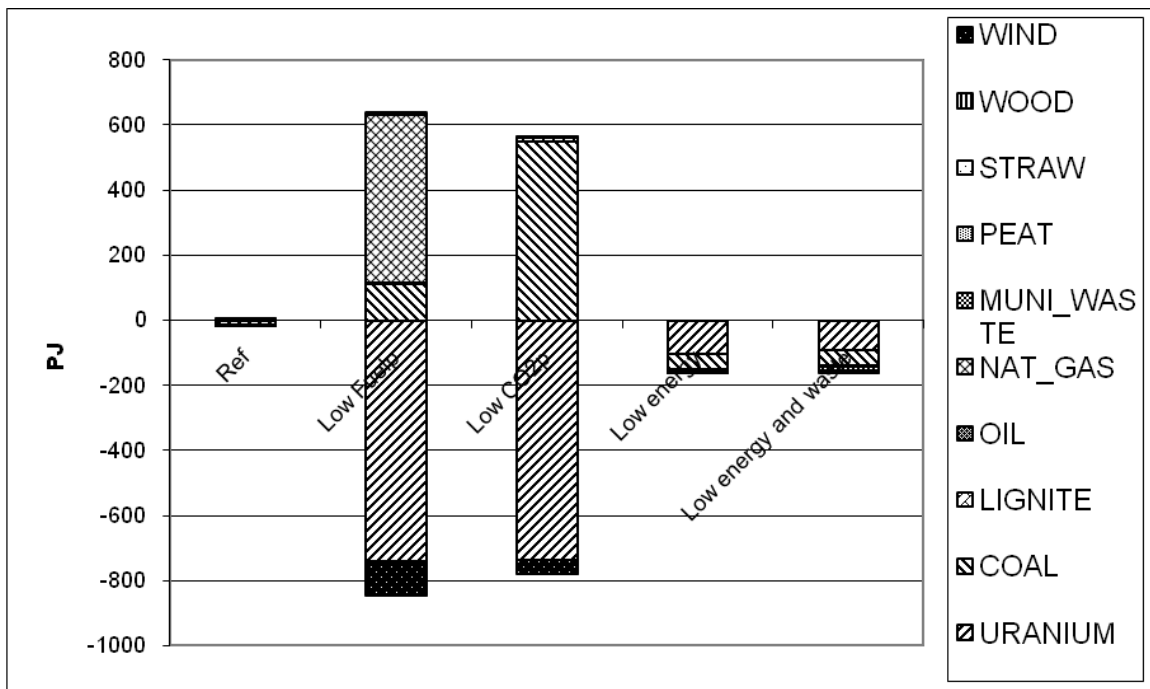


Figure 3 Differences in fuel use for all countries compared to the BAU scenario

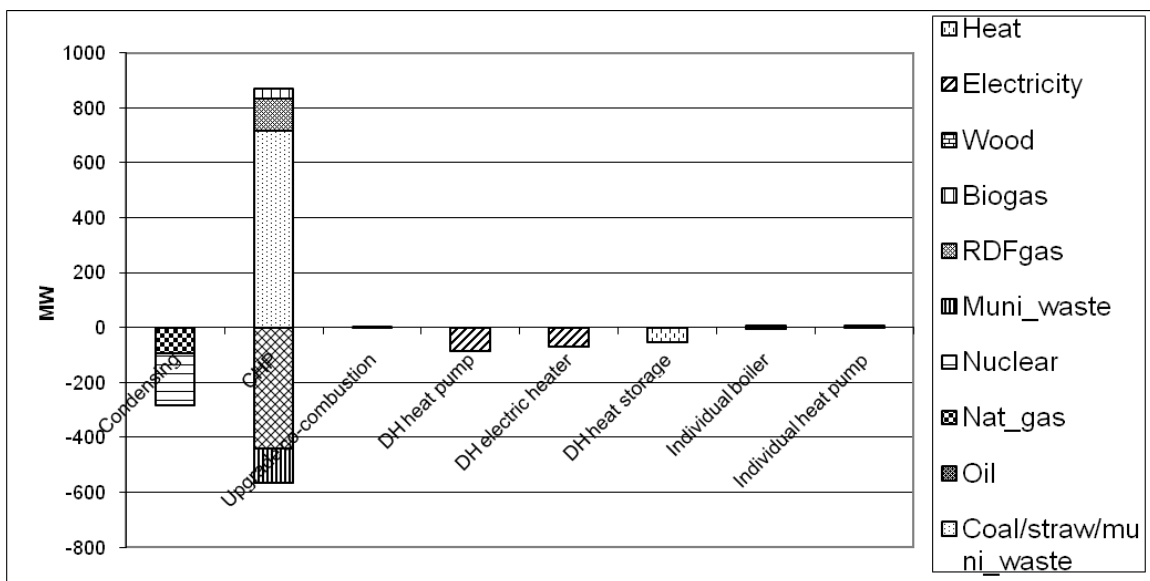
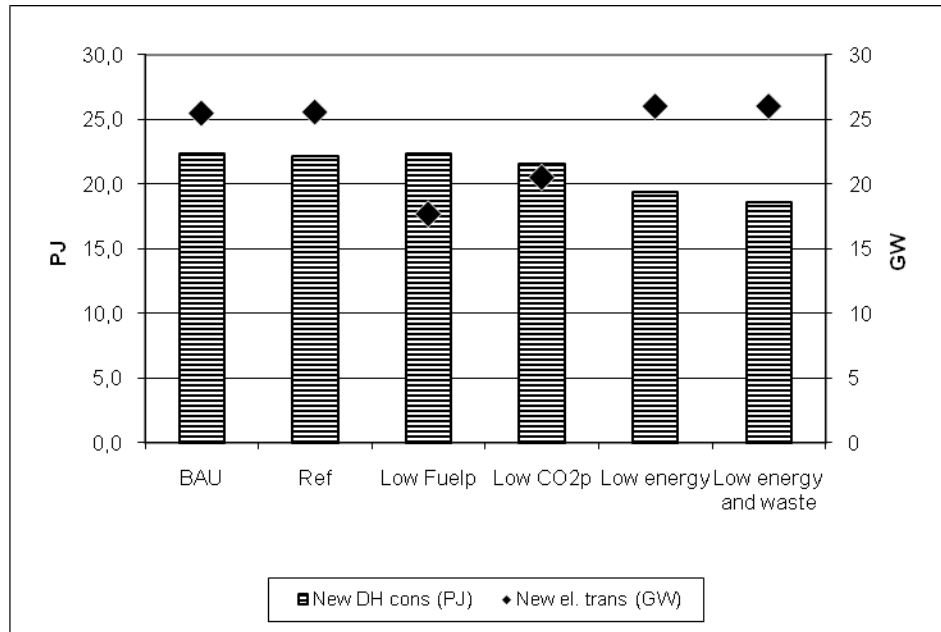
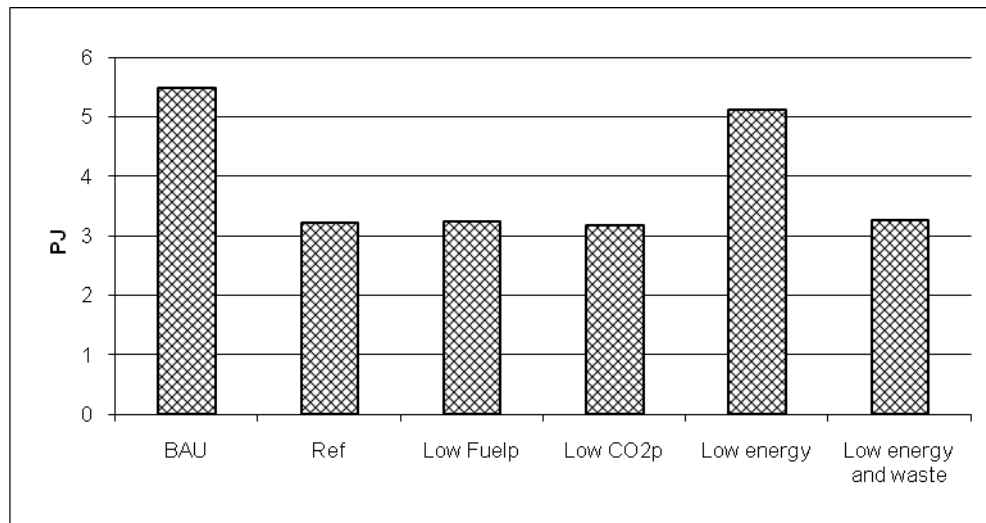


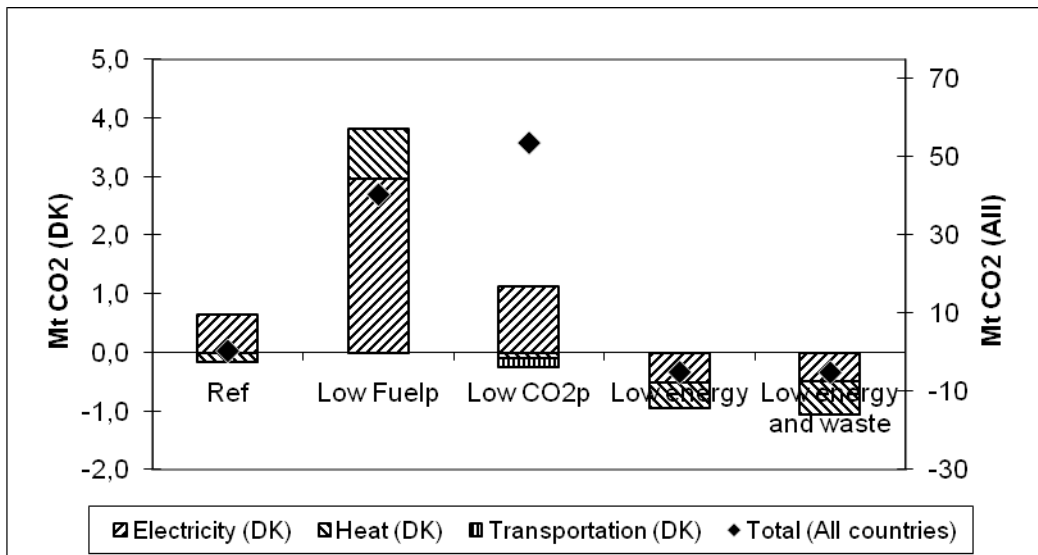
Figure 4 Differences in investments for all countries between the BAU and the reference scenario



**Figure 5 Heat consumption in new district heating networks in Denmark (left axis) and new electricity transmission in whole region (right axis)**



**Figure 6 Waste storage in Denmark**



**Figure 7 Differences in CO<sub>2</sub> emissions compared to the BAU scenario in Denmark and in all countries**

## Tables

**Table 1 Input and output of Waste-to-Energy technologies**

WtE technology	Input	Output	Investment possibility
Waste incineration	Mixed waste, no storage, LHV 10.5 MJ/kg [45]	Low electricity output and high heat output.	All areas with current waste incineration
Co-combustion with coal	Sorted, pre-treated RDF*, storable, LHV 16.5 MJ/kg [46] or straw, requires min. 93% coal [47]	High electricity output and heat	Larger city areas in Denmark with current coal-fired power plants
Thermal co-gasification with coal for CHP and bio-fuel production	Mixed pre-treated waste, no storage, LHV 10.5 MJ/kg, requires min. 75% coal [48]	Choice between bio-petrol or CHP production with high electricity output and heat	Larger city areas in Denmark with current coal-fired power plants
Thermal gasification for CHP	Sorted, pre-treated RDF*, storable, LHV 16.5 MJ/kg	High electricity output and heat	Larger city areas in Denmark
Thermal gasification for bio-fuel production	Sorted, pre-treated RDF*, storable, LHV 16.5 MJ/kg	Di-methyl ether (DME)	Rural areas in Denmark with current waste incineration
Anaerobic digestion for CHP	Sorted, pre-treated organic waste**, not storable, LHV 2.5 MJ biogas per kg organic waste [49]	High electricity output and heat	Rural areas in Denmark with natural gas fired CHP plants
Anaerobic digestion for bio-fuel production	Sorted, pre-treated organic waste**, not storable, LHV 2.5 MJ biogas per kg organic waste	Cleaned, upgraded and compressed biogas	Rural areas in Denmark with natural gas fired CHP plants

\* RDF consists mainly of paper, cardboard, plastic and waste wood. RDF is assumed to amount to maximum 19% of the energy content of the total waste resource [6].

\*\* Organic waste, which can feasibly be sorted out and used for biogas production, is estimated to amount to 4% only in energy terms [47]. It is assumed that half of the energy input for biogas plants comes from manure, which is made available at no cost. The current anaerobic digestion of manure amounts to 10% of the potential [50]. The manure is assumed to contribute with 0.5 MJ of biogas per kg of manure [51].

**Table 2 Technologies available for investment in 2025**

	Fuel	Fuel eff*	CB	CV	Inv cost	VO&M cost	FO&M cost	Life-time	Source
					MEUR/ MWel	EUR/ MWheI	kEUR/ MWel	Years	
<b>WtE technologies</b>									
Gasification	Coal/ Mixed waste	0.78			0.69		43.4	20	[52]/[53]/ [54]
Combined cycle, back pressure	Syngas	1.04	1.31		0.89	2.8	10.2	20	[52]/ [53]/ [55] /[51]
Syngas Catalysis	Syngas	0.79			0.13		81.7	20	[52]/ [53]
Integrated gasification and combined cycle, extraction	RDF	0.49	0.93	0.13	2.06		92.9	20	[52]/ [53]/ [54]
Gasification and DME production	RDF	0.67			1.98		118.6	20	[54]
Biogas Plant and Engine, back pressure	Organic waste and manure	0.60	0.8		1.86		170.8	20	[54]
Biogas Plant incl. cleaning and upgrading	Organic waste and manure	0.56			1.93		170.8	20	[54]
Co-combustion upgrade, steam turbine, extraction	Coal/ RDF/ Straw	0.37- 0.47	0.59- 4.76	0.15- 0.2	0.15	2.7/4.5	56.4	30	[51]/[46]/[56]
Co-combustion steam turbine, extraction	Coal/ RDF	0.53/ 0.52	0.95/ 0.94	0.15	1.39	4.5	23.5	30	[51]
Incineration steam turbine, back pressure	Mixed waste	0.97	0.37		5.44	20.3	217.8	30	[51]
<b>Other energy technologies</b>									
Condensing (only FI and SE)	Uranium	0.37			2.81	7.7	55.5	40	[57]
Condensing	Coal	0.46			1.35	6.0	42.7	35	[57]
Open cycle, condensing	Nat. gas	0.37			0.34	2.6	17.1	25	[57]
Combined cycle, extraction	Nat. gas	0.62	1.7	0.13	0.96	1.6	13.3	25	[51]
Extraction	Coal	0.53	0.95	0.15	1.28	1.9	17.1	35	[51]
Steam turbine, back pressure	Straw	0.9	0.5		4.62	15.4	92.3	20	[51]
Steam turbine, back pressure	Wood	0.9	0.5		4.62	13.5	80.8	20	[51]
Wind turbine	Onshore	1			1.20	2.0	15.5	20	[51]
Wind turbine	Offshore	1			1.62	3.5	40.6	20	[51]
Heat boiler	Wood	0.91			0.27	2.1	16.0	35	[51]
Heat boiler	Nat. gas	0.93			0.05	1.1	2.1	40	[51]
Heat Pump	Electricity (35°C water)	3.6			0.48		7.1	20	[58]
Electric Heater	Electricity	0.97			0.03	0.01		20	[51]
Central heat storage	Heat	0.99			1.78**			20	[59]
Individual heat boiler	Nat. gas	0.97			0.59		22.8	15	[60]
Individual heat boiler	Oil	0.92			0.52		22.8	15	[60]
Individual heat boiler	Wood pellets	0.9			0.82		22.8	15	[60]
Individual heat pump (water-water)	Electricity (Ground water)	3.4			1.99		0.01	20	[61]
Individual heat pump (Air-air)	Electricity	1.5			1.26		0.02	15	[61]

\* For extraction plants, the fuel efficiency illustrates the electrical efficiency. For the remaining plants, it illustrates the total fuel efficiency.

\*\* The investment cost for heat storage is given in kEUR/MWh

**Table 3 Scenarios**

Name	Description
BAU	Business as usual. Only investments in waste incineration
Ref	Reference. Investments in new WtE technologies are also allowed
Low fuelp	Low fuel price
Low CO <sub>2</sub> p	Low CO <sub>2</sub> quota price
Low energy	Low energy demand
Low energy and waste	Low energy demand and low waste amount

**Table 4 Projected energy demands in the Nordic countries and Germany in 2025 and modelled areas**

	<b>Denmark – Ref</b>	<b>Denmark – Low</b>	<b>Germany</b>	<b>Finland</b>	<b>Norway</b>	<b>Sweden</b>
Electricity demand (TWh)*	35[63]	21[64]	543[65]	106[65]	145[65]	148[65]
District heat demand (PJ)*	67[63]	47[64]	337[66]	266[67]	9[66]	166[66]
Electricity regions/ DH areas	2/21	2/21	2/2	1/1	1/1	1/1

\* Excluding transmission losses

**Table 5 Resource potentials in 2025**

	<b>Denmark</b>	<b>Germany</b>	<b>Finland</b>	<b>Norway</b>	<b>Sweden</b>
Wind turbine (GW)	9,5*	78,4**	16,4**	19,7**	22,9**
Agricultural solid waste (PJ)	36 [48]	200 [69]/[70]	91 [69]/[70]	17 [71]	237 [69]/[70]
Forestry residues and energy crops (PJ)	18 [48]	592 [69]	52 [69]	160 [71]	154 [69]
Municipal waste for energy (PJ)	47 [6]/ 37 [68]	591[1]	29 [1]	40 [72]	56 [1]

\* Max 60% of electricity consumption in 2025 assumed

\* Max 50% of electricity consumption in 2025 assumed



**Table 6 Projected fuel prices in 2025, lower heating values and CO<sub>2</sub> content of fuels**

	Fuel oil	Petrol	Natural Gas	Coal	Bio- mass	Bio- pellets	Ura- nium	Mixed waste	RDF	Organic waste
Base price (EUR/GJ)[62]	11.1	25.0	10	3.4	6.4-6.9	10.2- 11.5	0.7	-3 <sup>a</sup>	0	-3 <sup>a</sup>
Low price (EUR/GJ) [74]	8.5	15.6	7.7	2.7	7.3	13.4	0.7	-3 <sup>a</sup>	0	-3 <sup>a</sup>
Lower Heating Value (GJ/t) [62]	40,7	43,8	39,6	25,2	14,5	14,5- 17,5	500000	10,5	16,5 <sup>b</sup>	2,5 <sup>c</sup>
Fossil CO <sub>2</sub> content (kg/GJ) [62]	78	73	57	95	0	0	0	34 <sup>b</sup>	37 <sup>b</sup>	0

<sup>a</sup> Renosam benchmarking [75]

<sup>b</sup> Møller et. al. 2008 [46]

<sup>c</sup> Christensen et. al 2003. Based on biogas output [49]